



Federal Funds Risk Model

**OFFICE OF LEGISLATIVE RESEARCH
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Federalism Commission

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Federal Funds Risk Model

- **Federal Funds Commission contracted with Alvarez & Marsal Insurance & Risk Advisory Services (IRAS) in 2015 to build a Federal Funds risk framework and risk model.**
- **The purpose of the risk model is to:**
 - allow policymakers to run different risk scenarios related to a reduction in federal funds and receive output showing the impacts on the state; and
 - allow policymakers to develop strategies for mitigating negative impacts on the state of a reduction in federal funds by also modeling the impacts of different mitigation options.



Federal Funds Risk Model

- **Public web-based risk analysis modeling tool was completed in 2015 and allows:**
 - assignment of risk scenarios using 20 scenario factors, which can be used individually or in combination;
 - calculation of impacts, based on selected risk factors, on jobs, Gross State Product, state revenues, and personal income; and
 - selection of risk response options and calculation of extent to which the negative impacts of the selected risk scenario can be mitigated.



Federal Funds Risk Model

- Risk model available at:
<http://federalrisk.le.utah.gov/>
- Other risk analysis related resources:
 - [Government Shutdown Report](#)
(OLRGC/LFA/GOMB, September 2017)
 - [Economic Risk Analysis Report](#)
(Freeman Global Holdings, January 2016)